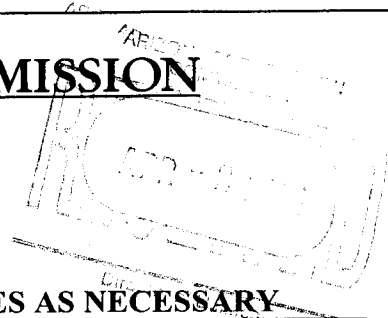


4/3/01 assessment db updated cm

4-3-01  
cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**



**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

A

WS-01025A WATER  
AJO IMPROVEMENT COMPANY  
PO DRAWER 9  
AJO AZ 85321-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2000
----	----	------

FOR COMMISSION USE

ANN04 00

## COMPANY INFORMATION

**Company Name (Business Name)** Ajo Improvement Company

**Mailing Address** Post Office Drawer 9

(Street)

Ajo

Arizona

85321

(City)

(State)

(Zip)

(520) 387-7151

(520) 387-7454

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** rmsmith@phelpsdodge.com

**Local Office Mailing Address** same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Dawn G. Meidinger President

2600 North Central Avenue

(Name)

Phoenix

Arizona

(Title)

85004

(Street)

(City)

(State)

(Zip)

(602) 234-8100

(602) 234-8067

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** dmeidinger@phelpsdodge.com

**On Site Manager:** same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** CT Corporation

(Name)

3225 North Central Avenue

Phoenix

Arizona

85004

(Street)

(City)

(State)

(Zip)

(602) 277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** S. David Colton

(Name)

2600 North Central Avenue

Phoenix

Arizona

85004

(Street)

(City)

(State)

(Zip)

(602) 234-8100

sdcolton@phelpsdodge.com

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

## OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

## COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME**

Ajo Improvement Company

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment	644,369	577,536	66,833
330	Distribution Reservoirs and Standpipes	194,594	171,624	22,970
331	Transmission and Distribution Mains	487,756	459,119	28,637
333	Services	72,768	72,768	-0-
334	Meters and Meter Installations	25,265	25,265	-0-
335	Hydrants	23,555	23,555	-0-
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	77,691	77,691	-0-
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,525,998</b>	<b>1,407,558</b>	<b>118,440</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME**

Ajo Improvement Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment	644,369	3.3873	21,827
330	Distribution Reservoirs and Standpipes	194,594	4.3244	8,415
331	Transmission and Distribution Mains	487,756	2.2378	10,915
333	Services	72,768		-0-
334	Meters and Meter Installations	25,265		-0-
335	Hydrants	23,555		-0-
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment	77,691		-0-
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,525,998</b>		<b>41,157</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

**COMPANY NAME**

Ajo Improvement Company

**BALANCE SHEET \*\***

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 2,335,020	\$ 208,230
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	169,823	788,248
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,931	2,931
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	14,831	15,413
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 2,522,605	\$ 1,014,822
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 2,989,821	\$ 3,233,231
103	Property Held for Future Use		
105	Construction Work in Progress	255,253	1,440,756
108	Accumulated Depreciation – Utility Plant	2,177,344	2,256,867
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 1,067,730	\$ 2,417,120
	<b>TOTAL ASSETS</b>	\$ 3,590,335	\$ 3,431,942

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

\*\*Represents electric, water and sewer departments

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 684,409	\$ 658,393
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	12,876	14,875
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 697,285	\$ 673,268
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 421,884	\$ 402,249
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ -0-	\$ -0-
	<b>TOTAL LIABILITIES</b>	\$ 1,119,169	\$ 1,075,517
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 392,000	\$ 392,000
211	Other Paid in Capital	3,144,546	3,144,546
215	Retained Earnings	(1,065,380)	(1,180,121)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 2,471,166	\$ 2,356,425
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 3,590,335	\$ 3,431,942

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 635,018	\$ 639,140
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$ 635,018	\$ 639,140
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 65,107	\$ 36,098
610	Purchased Water	438,919	484,904
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense	23,892	19,176
630	Outside Services	46,605	62,974
635	Water Testing		
641	Rents	1,300	1,200
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life	1,861	23,562
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	8,427	2,463
403	Depreciation Expense	42,695	41,157
408	Taxes Other Than Income	22,743	28,144
408.11	Property Taxes	28,827	29,082
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 680,376	\$ 728,760
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ -0-	\$ (49,469)
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	10,404	10,404
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 10,404	\$ (39,065)
	<b>NET INCOME/(LOSS)</b>	\$ (55,762)	\$ (50,555)



**COMPANY NAME** Ajo Improvement Company

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	10-10-85			
Source of Loan	Promissory Note			
ACC Decision No.	54709			
Reason for Loan	To fund facilities acquired or to be acquired from P.D.			
Dollar Amount Issued	\$ 311,963	\$	\$	\$
Amount Outstanding	\$ 311,963	\$	\$	\$
Date of Maturity	12-31-08			
Interest Rate	10%			
Current Year Interest *	\$ 31,200	\$	\$	\$
Current Year Principle	\$ -0-	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ -0-

Meter Deposits Refunded During the Test Year

\$ -0-

\*Represents all 3 departments

**COMPANY NAME** Ajo Improvement Company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Phelps Dodge Corporation	1050	207,294.4

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = \_\_\_\_\_

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		130	-0-

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2	N/A	

## STATISTICAL INFORMATION

Total number of customers	1128	
Total number of gallons sold	195,629.6	gallons

**COMPANY NAME** Ajo Improvement Company

**YEAR ENDING 12/31/2000**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 28,914.74

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

COMPANY NAME \_\_\_\_\_

YEAR ENDING 12/31/2000

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>Ajo Improvement Company consolidates with its</u>
Estimated or Actual Federal Tax Liability	<u>parent company Phelps Dodge Corporation</u>

State Taxable Income Reported	<u>same as above</u>
Estimated or Actual State Tax Liability	_____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

3/27/01  
DATE

Dawn G. Meidinger  
PRINTED NAME

President  
TITLE

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2000

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

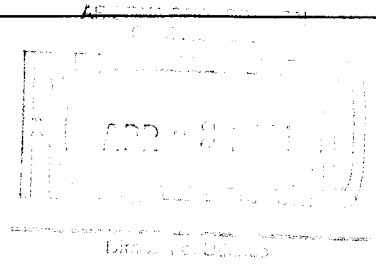
**Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)**

\$ 28,914.74

**Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.**

**If no property taxes paid, explain reasons below:**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa
NAME (OWNER OR OFFICIAL) TITLE	Dawn G. Meidinger, President
COMPANY NAME	Ajo Improvement Company

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>639,140</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 20,470  
IN SALES TAXES BILLED, OR COLLECTED

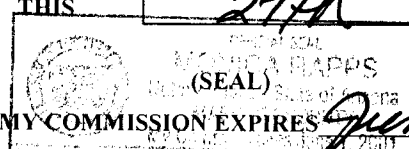
**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

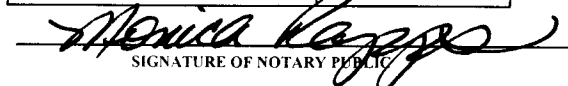
  
SIGNATURE OF OWNER OR OFFICIAL  
(602) 234-8241  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

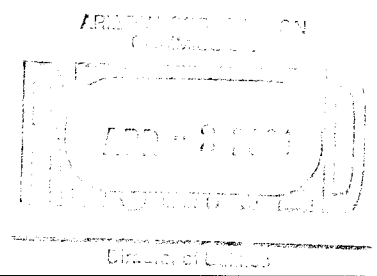
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	Maricopa
MONTH	March
	2001

THIS 27th DAY OF  
  
MY COMMISSION EXPIRES June 1, 2001

  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Dawn G. Meidinger	TITLE President
COMPANY NAME Ajo Improvement Company	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 286,695
-----------------------------------------------------------

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 13,614  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

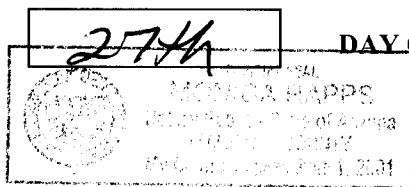
X   
SIGNATURE OF OWNER OR OFFICIAL

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 27th **DAY OF**

**(SEAL)**



**MY COMMISSION EXPIRES**

June 1, 2001

NOTARY PUBLIC NAME MONICA RAPP	
COUNTY NAME MARICOPA	
MONTH MARCH	2001

X   
SIGNATURE OF NOTARY PUBLIC



11109

**AJO IMPROVEMENT COMPANY**  
AJO, AZ 85321

**Community First**  
National Bank  
101 La Mina Avenue  
Ajo, AZ 85321-2723

81-564/1221

DATE April 27, 2000

PAY

900000 3156075

DOLLARS \$29,602.56

TO  
THE  
ORDER  
OF

James Lee Kirk, Pima County Treasurer  
113 N. Church Avenue  
Tucson, AZ 85701-1199

**AJO IMPROVEMENT COMPANY**  
AUTHORIZED SIGNATURE

PAID UNDER PROTEST

~~NOT NEGOTIABLE~~

⑈011109⑈ ⑆122105647⑆ ⑈8220782134⑈

AJO IMPROVEMENT COMPANY

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
Apr 27, 2000	Payment of Personal Property Taxes for the 2nd Half of 1999	29,602.56

V-2

11227

**AJO IMPROVEMENT COMPANY**

AJO, AZ 85321

**Community First**

National Bank

101 La Mirada Avenue  
Ajo, AZ 85321-2723

91-584/1221

DATE October 30, 2000

PAY

DOLLARS \$ 30,044.98TO  
THE  
ORDER  
OFJames Lee Kirk, Pima County Treasurer  
113 N Church Avenue  
Tucson, Arizona 85701**AJO IMPROVEMENT COMPANY**  
AUTHORIZED SIGNATUREPAID UNDER PROTEST~~NOT~~ NEGOTIABLE

⑈011227⑈ ⑆122105647⑆ ⑈8220782134⑈

AJO IMPROVEMENT COMPANY

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
Oct. 30, 2000	Payment of Personal Property Taxes for the 1st half of 2000	30,044.98

V-2



**Phelps Dodge Ajo, Inc.**  
**Shipping Address: South Highway 85**  
**Billing Address: Post Office Drawer 9**  
**Ajo, Arizona 85321**  
**(520) 387-7451**  
**FAX: (520) 387-7454**

**TO: Ms. Carmen Madrid**

**DEPARTMENT: Az. Corp. Commission. FAX NO: (602) 542-2129**

**DATE: 4/2/2001**

**TIME: 4:00 p.m.**

**TOTAL PAGES (Including Coversheet): 3**

**FROM: Ron Smith, Staff Accountant Ajo Improvement Co.**

**MESSAGE:**

**As per your request Carmen, I am submitting the copies of the checks we issued for the payment of Pima County taxes in the year 2000.**

**Ron**

**If you do not receive the number of pages indicated above please call (520) 387-7451.**

**A Division of Phelps Dodge Corporation**